

of organizing such sweep stakes by clubs registered as non-totalizator clubs has become not only general, but universal. The organization of such sweeps is, in most instances, regarded as a means of securing the revenue necessary to provide prizes and meet expenses. This system involves a breach of sections 44 and 45 of the Gaming Act, 1908, which absolutely prohibits all sweepstakes except sweepstakes got up on a racecourse which comply with the following conditions :—

- (a) The total amount subscribed must not exceed £5 ;
- (b) Individual contributions must not exceed 5s. each ;
- (c) The whole sum must go to the winner without any deduction.

The illegality at present commonly involved does not normally relate to the amount of the sweepstake, which is invariably limited to £5, it arises from the fact that a great many clubs make a deduction of some percentage, many of them up to 25 per cent. of the amount of the sweepstake.

338. The term “equalizator” has been applied to the system. It received a considerable impetus at this type of meeting when funds were being sought for patriotic purposes. When held for such purposes the whole of the amounts deducted went to war funds, but since the war many clubs have continued to make, but retain, the deductions. Another common phase which is illegal is that some clubs apportion a part of the sum contributed to the second horse. The system is easily worked ; the clubs have tickets printed bearing the numbers of the starters in the race as appearing on the race-card ; persons desiring to participate purchase a ticket and are given the one next available for sale. Commonly, no blanks are included, so that in each sweepstake every ticket sold represents a horse starting in the race. As soon as one £5 sweep is filled, another is opened, and at the more largely attended meetings a considerable number are filled on each race.

339. This practice invites some account of the history of sweepstakes. They were first made the subject of legislative enactment in New Zealand by the Gaming and Lotteries Act, 1881. At that time no illegality attached to bookmaking, and bookmakers and the totalizator had their respective supporters and detractors. Both factions were naturally opposed to sweepstakes, and, indeed, there appears to have been a general consensus of opinion that one of the evils of that time was the promotion of large sweepstakes by unscrupulous people. The practice seems to have been considered a much greater evil than gambling either with bookmakers or on the totalizator, and Parliament appears to have acted upon that view, for, by section 19 of the Act of 1881, it absolutely prohibited the promotion or holding of sweepstakes. It was not long, however, before it was felt that this section had gone too far. As early as 1882 there were numerous prosecutions of reputable